

A STUDY IMPACT OF COVID-19 ON E-COMMERCE BUSINESS OF INDIA

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Abstract

All business was running smoothly in India before corona period. But after the corona virus period there have been multiple effects on the business .since India was a developing country and the population of India was largely urban and rural , most of the business was done through offline market. But due to the central government cashless policy and the increasing Number of corona patients, central government's in India the first nationwide lockdown was announced by the end of march 2020.while offline retail stores were closed down, online stores remained operational. Therefore, all the people in rural and urban areas put more emphasis on buying things online to some extent ,that is after corona there has been a lot of growth in E- Commerce Business may 2020 with growth rates of around 20 percent .Due to the corona Virus E-Commerce has many adverse and favorable effects. As per the industry report of 2021, the Indian e-commerce is supposed to grow 84% in the next 4 years. India E-commerce market could outpace more mature markets to become the third largest market in the world.

Keywords: E-commerce, Cashless market, corona pandemic, Consumer buying pattern

Introduction

It has now been over two years since the Corona virus first gained notoriety, and global lockdowns began to be implemented. One cannot deny that the COVID-19 pandemic has changed the world forever. It has touched upon almost every aspect of our lives and affected them in some way or the other, big or small, good or bad. The E-Commerce sector is, of course, not an exception. It has also been transformed, perhaps irrevocably. Several things that we used to take for granted are no more, and several things which seem to be very new and exciting are also emerging. The pandemic has changed the behavior of customers, manufacturers, as well as marketplaces. It has shaken up supply chains in such a manner that it is proving to be a herculean task to put them back together. Today, we shall explore in-depth how exactly COVID-19 has impacted e-commerce and what more changes we can expect to see going forward. Said Bhatti et al.(2020) Examines that E-Commerce Grew due to corona virus .E-commerce is become a substitute source and considered top in this condition and consumers bought in superstore traditionally. The coronavirus impact on whole e- commerce businesses .Hasanat et al.(2020) the key purpose of this research is to determine the of impact on corona virus on the online business. The result illustrated that as the maximum of the product come from china and the maximum of industries are lockdown which means that there are no import and export of the product.

E-commerce:

E-Commerce or Electronics Commerce is a methodology of modern business which addresses the need of business organizations, vendors and customers to reduce cost and improve the quality of goods and services while increasing the speed of delivery. E-commerce refers to paperless exchange of business information using following ways.

- 1) Electronic Data Exchange (EDI)
- 2) Electronic Mail (e-mail)
- 3) Electronic Bulletin Boards
- 4) Electronic Fund Transfer (EFT)
- 5) Other Network-based technologies

The concept of e-commerce is all about using the internet to do business better and faster E-commerce is the process of buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network without using any paper documents. The Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.”

Business transacted through the use of computers, telephones, fax machines, barcode readers, credit cards, automated teller machines (ATM) or other electronic appliances.

Research Methodology

The main objective of the study is to know the impact of covid-19 pandemic on E-commerce business of India. The firsthand information on in collected from 25 consumers from Nanded district city. The researcher asked questions related to online purchase and sale of products. Information in tabulated and analysed.the proper result have been drowning following are the concluding remakes of the study.

Objectives of the study:

- 1) To study the consumers buying patterns after corona pandemic.
- 2) To know the impact of covid-19 pandemic on E-commerce businesses.

Positive Impact of the COVID-19 Pandemic on E-Commerce

1) Acceleration of Social Media Utilization:-Due to complete lockdown in the country after the corona period. All shop of the wholesale and Retail traders had to be closed, as a result of which all the necessary items of the country became available through E-commerce, so after the corona period, the E-commerce business gained momentum. Due to lockdown, the people of the country were looking for an alternative way to buy goods, in which e-commerce made it easier for them to buy goods.

2) More Variety of Goods:-As more and more people wanted to buy essential goods online, it also opened up multiple avenues for new businesses to emerge and expand their digital presence. The demand for commodities such as household groceries, medicines, and personal care products skyrocketed. With a constant influx of new products, however, businesses now also had to compete for the users' attention, forcing them to come up with out-of-the-box strategies to ensure they stayed relevant.

3) Platform Marketing:-Platforms such as Instagram, YouTube, and Twitter allowed brands to engage with their customers as well, enabling them to market their products with creative new ideas and campaigns.

4) Adoption of Online Shopping in Less Developed Regions:- With the pandemic bringing life to a standstill in rich and poor countries alike, there loomed a serious threat of the wealth-gap increasing even more. Diseases and infections disproportionately affect the less privileged and the lower-income nations, who may not have access to the same quality healthcare and resources that the people from developed countries usually do. This presented a very lucrative opportunity for some e-commerce companies, which began offering online shopping services in countries where traditionally, the physical form of shopping was practiced.

5) Diversification of Products:- Even in the developed nations where online shopping was already a common occurrence before the pandemic, the focus of e-commerce shifted from luxury or niche items to everyday goods and commodities. People went from purchasing smartphones and electronics online to ordering toothpaste and face masks online as well.

6) Exploration of New Opportunities:- With hospitals at total capacity treating the Corona virus, people with old age or pre-existing ailments could no longer receive the priority treatment they needed. As such, the e-commerce sector spotted a new consumer segment that was being neglected and came up with creative solutions to meet their requirements. Online medical check-ups, pharmaceutical deliveries, etc. became the norm.

7) Explosion of Online Payment Methods:- The ease and convenience of online shopping, coupled with the fears and paranoia of transmitting or contracting the virus, led to an unparalleled adoption of online payment methods, especially in developing countries such as India. Even though Cash-On-Delivery continues to remain a very dominant method of payment, the sheer pace and growth of online transactions has been nothing short of revolutionary. Now that the common people also have a taste of the simplicity and ease of use with respect to cashless payments, one can possibly expect even more people to join in. Methods of online payment include debit cards, credit cards, bank transfers, and in India, even UPI (United Payments Interface). UPI, in particular, is a simple payments technology that assigns a unique virtual address to every user and allows seamless transfers of money from one address to another. Thus, we can clearly see how the COVID-19 pandemic challenged e-commerce businesses to look outward, searching for new and alternative sources of revenue and acting upon them for the public good.

Negative Impact of the COVID-19 Pandemic on E-Commerce Businesses

From the above-mentioned points, we can gather to some extent the changes in the consumer and market scenarios and how the e-commerce companies reacted to them. Next up, let us have a look at the adverse effects of the COVID-19 pandemic on e-commerce and try to deduce whether the overall effects have been net positive or negative.

1) Shutting down of Businesses:- While the pandemic has been very beneficial for pushing digitization as well as bridging previously obscure and un-catered segments, a number of e-commerce businesses have failed to keep up with the rapid changes and have shut down as a result. Many small businesses could no longer afford to keep going due to pandemic-incurred losses, and prices were also driven up sharply. The companies that did

somehow manage to survive also had to downsize a significant portion of their employee base.

2) Supply Chain Issues:- Next up, we would be hard-pressed to ignore the disruptions of the global supply chains induced by the Coronavirus. With rising demand and costs of natural resources such as coal, natural gas, and oil, international trade came to a standstill. Countries went into lockdown and stopped production, manufacture, import, and export of non-essential goods. Supply can no longer keep up with the pent-up demand and revenge shopping of the previously deprived customers.

3) Structural Economic Issues: - In 2020, all governments made a choice to halt their economies and contain the spread of the virus. Two years later, the world is still reeling from the after-effects of those decisions. Inflation and unemployment are at record highs. There is a global cost of living crisis that has been accelerated by the COVID-19 Pandemic. Countries like China that are pursuing a Zero-Covid policy are acting as a bottleneck in the international supply chain ecosystem.

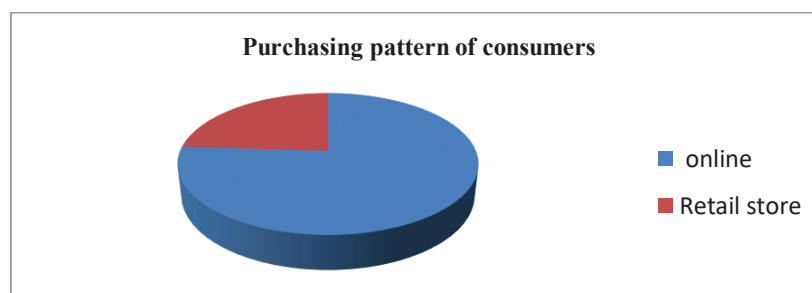
Purchasing Pattern of Consumers in Corona Pandemic

The researcher has studied literature, it is found that, the purchasing of daily need produces has been brought by using mobile phones to order things which is necessary for daily use.

Table no.01

Particulars	Consumer	Percentage
Online	19	74
Retail store	6	26
Total	25	100

Source: Field survey



Graph no.01

In the above table no.01 and graph no.01 it is indicated that, the consumers buying pattern after the corona outbreaks in the Nanded districts. It is found that, (74%) 19 of

consumer are prefer to buy online products whereas, the (26%) 6 of consumer are to buy through retail shops physically.

Conclusion

So now we have a pretty good idea as to how the pandemic has affected the e-commerce industry. We took a look at both the good and the bad sides of the virus and can safely conclude that though customers received a lot more variety to choose from, small to medium-sized businesses had to bear the brunt of the pandemic. We also learned about a couple of trends in e-commerce that are expected to kick off soon and possibly bring about drastic changes in the industry. We hope this research paper has been informative and engaging, and you now have a clearer notion of the impact of COVID-19 on e-commerce. above mention in research papers covid-19 positive and negative impact on E- commerce Business.

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